



FINANCE AND ADMINISTRATION CABINET
KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY

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Financial Aid Tip of the Month, July 2008

Private loans bridge gap between college costs, student aid

Many sources of financial aid are available to help college-bound students pay higher education expenses, including federal and state grants, scholarships and Federal Stafford and PLUS Loans. In addition, merit-based scholarships and need-based grants are often available at the local level.

All these programs may help ease the burden of paying for college; however, sometimes it is not enough to pay college costs. When that happens, parents and students may take advantage of private student loans, usually called alternative loans.

In addition to providing Federal Stafford and PLUS Loans in Kentucky, The Student Loan People, Kentucky's only nonprofit student loan provider, offers the Advantage Loan. This loan helps bridge the gap between the cost of college and the financial aid a student has received. Features include:

- Loans available as small as \$500, with a lifetime aggregate limit of \$250,000;
- Competitive interest rates and flexible terms;
- Credit decisions usually in less than 60 seconds;
- 24-hour online account access;
- Fast loan disbursements;
- Available for nondegree-seeking students;
- Loan payments deferred while in school with up to 12 months grace after graduation; and
- No prepayment penalties.

Students need to do some research before committing to any loan. The amount that may be borrowed and the interest rate will largely depend on the borrower's credit rating, but differences do exist among lenders. Students should compare the loans offered by various lenders to ensure the best possible deal.

For more information about student loans, visit www.studentloanpeople.com; write The Student Loan People, P.O. Box 24328, Louisville, KY 40224-0328; or call (888) 678-4625. To learn how to plan and prepare for higher education, visit www.GoHigherKY.org. For more information about Kentucky scholarships and grants, visit www.kheaa.com; write KHEAA, P.O. Box 798, Frankfort, KY 40602-0798; or call (800) 928-8926, extension 7381.

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